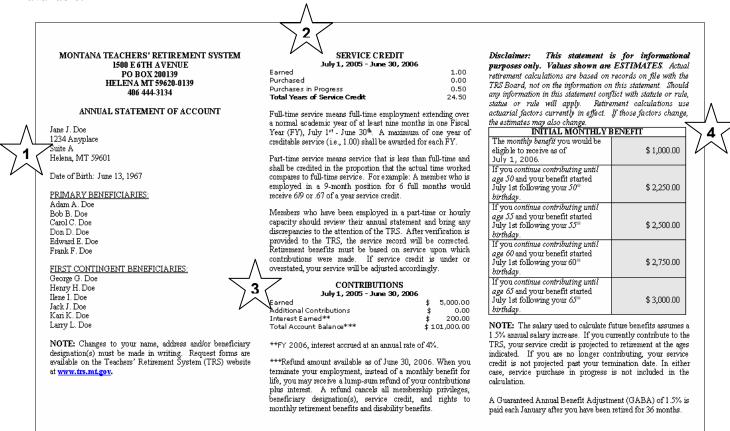
MONTANA TEACHERS' RETIREMENT SYSTEM 2006 ANNUAL STATEMENT OF ACCOUNT

(General Information)

The Teachers' Retirement System (TRS) has revised your annual statement for fiscal year 2006, providing information regarding your TRS account. If you are an active member of the TRS, your annual statement has been mailed to your respective employer for distribution and if you are an inactive vested member, it has been mailed to the address on file, if available.



1. Beneficiary Information

The information provided in this section reflects the most recent beneficiary designation on file with the TRS. Please verify that your name, mailing address, birth date, and beneficiary designation information are correct. If any updates are needed, please access the TRS website at www.trs.mt.gov. Click on the 'Members' button. When the dropdown box appears, select the 'Forms' option. Please complete all necessary forms in their entirety and mail to the TRS.

With regard to your beneficiary designation, due to space limitations only six primary beneficiary(s) and six first contingent beneficiary(s) can be listed on your annual statement. However, more may actually be on file with the TRS.

2. Service Credit

The service credited to your account reflects the full-time equivalence (FTE) reported each month by your employer. The TRS staff will audit your account to confirm your service credit prior to your retirement date. The 'Total Years of Service Credit' presented on the annual statement represents the current fiscal year activity 'Earned', added to previous fiscal year(s) activity.

3. Contributions

The contributions 'Earned' reflect the contributions withheld by your employer and reported on your behalf to the TRS during the 2005-2006 fiscal year. The 'Total Account Balance' presented on the annual statement represents the current fiscal year contribution 'Earned', added to previous fiscal year(s) contribution activity, plus interest.

Note: 'Additional Contributions' will represent contributions withheld and reported, on a tax-deferred basis, and/or personal payments with after tax dollars, for the purpose of purchasing additional service credit, *if eligible*.

4. Initial Monthly Benefit

If eligible an 'Initial Monthly Benefit' is provided to assist you with pre-retirement planning. The TRS may not have been able to calculate your 'Initial Monthly Benefit' for several reasons:

- Your birthdate is not available;
- Your age has past age 50, 55, 60 or 65;
- You are not vested (5.00 years of full-time service credit required);
- You were employed on a part-time or hourly basis within the last three years of employment, requiring a manual review and calculation, or;
- Your earnings may have grown more that 110% of a prior year's earnings in any one of your last three highest consecutive fiscal years. When this occurs the 10% statutory limitation must be applied, requiring your estimate be calculated manually by the TRS staff.